



# Reinsurance Claims Processing Manual

## Chapter Nine Reimbursement

AHCCCS will reimburse a Contractor for costs incurred in excess of the applicable deductible level, subject to coinsurance percentages. Covered amounts in excess of the deductible level shall be reimbursed based upon costs paid by the Contractor, net of interest, penalties, discounts and coinsurance, unless the costs are paid under a subcapitated arrangement. In subcapitated arrangements AHCCCS shall base reimbursement of Reinsurance encounters on the lower of the AHCCCS allowed amount or the reported Health Plan paid amount, net of interest, penalties, discounts and coinsurance.

Subcapitated and CN1 Codes recognized by Reinsurance:

CN1 Indicator Crosswalk to Sub Cap Codes			
CN1	DEFINITION	SUB CAP	DESCRIPTION
Blank		00	No subcapitated payment arrangement. Used to report services paid on a fee-for-service basis. When subscriber exception code is 25, subcap code is 05.
01	Diagnosis Related Group (DRG)	00	Full subcapitation arrangement. Used to report services provided under a fully subcapitated contractual arrangement. When subscriber exception code is 25, subcap code is 05.
02	Per Diem	00	Full subcapitation arrangement. Used to report services provided under a fully subcapitated contractual arrangement. When subscriber exception code is 25, subcap code is 05.
03	Variable Per Diem	00	Full subcapitation arrangement. Used to report services provided under a fully subcapitated contractual arrangement. When subscriber exception code is 25, subcap code is 05.
04	Flat	00	Full Subcapitation arrangement. Used to report services provided under a fully subcapitated contractual arrangement. When subscriber exception code is 25, subcap code is 05.
05	Capitated	01	Full subcapitation arrangement. Used to report services provided under a fully subcapitated contractual arrangement. When subscriber exception code is 25, subcap code is 05.
06	Percent	00	Partial subcapitation arrangement. Used to report services provided by a subcapitated provider that are excluded from the subcapitated payment arrangement. When subscriber exception code is 25, subcap code is 05.
09	Other	08	Negotiated settlement. Used to report services that are included in a negotiated settlement, for example, claims paid as part of a grievance settlement, when subscriber exception code is not 25.
09	Other	04	Contracted transplant service (covered under AHCCCSA catastrophic reinsurance) Used to report covered transplant services paid via catastrophic reinsurance, when subscriber exception code is 25.
	Identified by Filename	06	Denied claim used to report valid AHCCCS services that are denied. For example, if a claim was denied for untimely submission.

